GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

CSFs - Working Capital requirement for 5 Coop. Sugar Factories for the season 2014-2015 – Availing of financial assistance for working capital from APCOB – Issue of Government default Guarantee for an amount of Rs.35,76,32,000/- in favour of APCOB – Orders – Issued.

x-x-x-x-x-x-x-x-x-x-x-x-x-x-x- x-x-x-x-x-x-x-x-x-x-x-x-x-x-x- xx-X-X-X-X-X

INDUSTRIES AND COMMERCE (PROG.II) DEPARTMENT

G.O.MS.No. 125 Dated: 14-09-2016

Read the following:

1. From the Commr of Sugar and Cane Comm, A.P., Hyderabad Lr. Rc. Rc.No.2058/2015/D1, Dated: 16-03-2016.
2. From the Director of Sugar & Cane Commissioner, A.P. Lr.No.1981/2015/D2, Dt.14.09.2016

ORDER:

The Director of Sugar and Cane Commissioner vide lr. First read above has requested to address the MD, APCOB, Hyderabad for sanction & release of the MT loans to the (5) CSFs towards clearance of Cane Price Dues of 2014-15 season, since there is considerable pressure from cane growers for clearance of cane price dues and requested to issue orders on Govt. Default Guarantee, for the following loans:

| Sl. No. | Name of the CSF | Amount required by CSF (Rs. In lakhs) |
|---|---|---|
| 1 | Etikoppaka | 493.892 |
| 2 | Thandava | 617.013 |
| 3 | Chodavaram | 927.414 |
| 4 | Sri Venkateswara | 1339.505 |
| 5 | Anakapalle | 198.51 |
| | TOTAL | 3576.32 |

2. The Government, after careful examination of the proposal, hereby order to extend Government Guarantee in favour of the APCOB., Hyderabad, for credit authorization to the extent of Rs 35,76,32,000 (Rupees thirty five crores seventy six lakhs thirty two thousands only) towards working capital MT Loans for clearance of the cane price dues for the season 2014-15, for the 5 Co-operative Sugar factories as stated at para 1 above.

3. The Managing Director, APCOB., Hyderabad is requested to sanction/release the amounts to the five (5) Cooperative Sugar Factories, for the amounts

indicated against each factory. Government liability will arise only after the Bank has exhausted / taken all steps to recover their dues, including disposal of assets, and only thereafter, approach the Government for the balance amount of default guarantee.

4. The Managements of the Cooperative Sugar Factories shall pay Guarantee Commission @ ½% per annum before execution of Guarantee Deed, and also repay the loan amount, as per the terms and conditions of the APCOB., Hyderabad.

5. The Commissioner of Sugar and Cane Commissioner shall ensure that the Managements of the above Sugar Factories prudently manage their finances and repay loan obligations themselves. He shall monitor utilization of loan funds as well as all other funds, including the revenue generated from sale of sugar. He shall inform the actual amount released by the APCOB., Hyderabad to the aforesaid 5 (five) Cooperative Sugar Factories, to execute default Guarantee by the State Government.

6. Separate Guarantee Deeds will be executed by the Secretary to Government, Finance Department, after the actual amounts are sanctioned by the APCOB., Hyderabad.

7. This order issues with the concurrence of Finance (FMU-Rev. Ind.& Com.) Department vide their U.O.No.45027/107/2016, dated:23-08-2016.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

M. GIRIJA SHANKAR
SECRETARY TO GOVERNMENT

To
The Director of Sugar and Cane Commissioner, A.P., Hyderabad.
The Managing Director, A.P. State Coop. Bank Ltd., Shakkar Bhavan, 3/4/447/448, Barkatpura, Hyderabad.
The National Cooperative Development Corporation, New Delhi.
The Managing Directors concerned thro' Director of Sugar and Cane Commissioner, A.P., Hyderabad.
Copy to:
The Accountant General, A.P., Hyderabad.
The Director of Treasuries & Accounts, A.P., Hyderabad.
The Finance (FMU, Rev. I&C ) Dept.
The P.S. to Prl. Secy. To Chief Minister.
The P.S. to Minister ( Finance)
The P.S. to Secretary to Govt. (Sugar), Ind. & Com. Dept.

SF/SC

//FORWARDED:: BY ORDER//

SECTION OFFICER